

# **SALES AND USE TAX REVIEW COMMISSION**

## **RECOMMENDATION PURSUANT TO P.L. 1999, C. 416**

**BILL NUMBER: S-1303**

**DATE OF  
INTRODUCTION: 5/18/00**

**SPONSOR: Senator Singer**

**DATE OF  
RECOMMENDATION: 7/10/00**

**IDENTICAL BILL: NONE**

**SPONSOR: N/A**

**COMMITTEE: Senate Environmental**

### **DESCRIPTION:**

This bill provides for a sales tax exemption for maintenance services on residential septic systems.

### **ANALYSIS:**

The bill exempts pumping out residential septic systems, a service which is performed infrequently (once every several years) on household septic systems in this State. The sales tax cost per household is an insignificant financial burden that must be compared with the aggregate impact on state revenue if the exemption were enacted. The proposed exemption will not affect economic decisions because homeowners know whether the property is connected to a public sewer system at the time the property is purchased. Responsibility for proper maintenance of the septic system is thus accepted by the homeowner.

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**RECOMMENDATION:**

The Sales and Use Tax Review Commission does not recommend the bill for enactment.

**COMMISSION MEMBERS FOR PROPOSAL: 0**

**COMMISSION MEMBERS AGAINST PROPOSAL: 5**

**COMMISSION MEMBERS ABSTAINING: 0**